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DE RUEHDO #0972 2771237
ZNR UUUUU ZZH
R 041237Z OCT 07
FM AMEMBASSY DOHA
TO SECSTATE WASHDC 7128

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STATE/EEB TPP/ABT FOR GARY A. CLEMENTS
STATE/NEA/ARP FOR ASHLEY BAGWELL
COMMERCE/ITA/OTEXA FOR MARIA D'ANDREA
USTR FOR CAROYL MILLER

E.O. 12958: N/A

TAGS: ECON ETRD KTEX QA
SUBJECT: QATARI TEXTILES AND APPAREL PRODUCTION
IN SIGNIFICANT

REF: SECSTATE 114799

¶1. (U) Textiles and apparel production is not a significant part of Qatar's hydrocarbon-based economy. Until recently, there were a handful of textile factories in Qatar, many of which were started by investors from the Asian subcontinent as a means to avoid textile quotas from the global multifiber system in their home countries.

¶2. (U) According to Ahmed Ahen, Director of the Economic and Trade Organizations Department at the Ministry of Economy and Commerce, the end of quotas as part of the multi-fiber arrangement on January 1, 2005 caused many of these investors to move elsewhere, often to their home countries or Africa, as there was no longer a need to avoid the arrangement's quota system. Ahen believed there were about 23 factories active in textile production prior to 2005. According to Ihab Rashid at the Qatar Chamber of Commerce and Industry, the last shipment of textiles to the United States was in March 2007, and there is now only one factory in Qatar making apparel for local consumption. According to 2006 statistics, textile exports only accounted for one-tenth of one-percent of Qatar's economy.

¶3. (U) In keeping with Qatari law, the expatriate investors had Qatari partners and sponsors for the laborers. There were no labor displacements for the local population as Qatari citizens would not take textile jobs, thus virtually all of the laborers were imported from other countries. Beginning in 2005, workers in the industry began to be repatriated to their home countries.

¶4. (U) Using Qatar as a production point for textiles is no longer useful or competitive and neither the GOQ or private industry has shown an inclination to revive the textile industry. Post provides available statistics below as requested reftel.

Production

At current (nominal) prices
GDP (USD Billion)
2006 52.7
Q1 2007 12.3
Q2 2007 13.9

Manufacturing (USD Billion)
2006 3.9
Q1 2007 1.0
Q2 2007 1.1

2006 Domestic Textile Exports: 98.4 million USD
2006 Domestic Textile Exports to the U.S.: 10.8 million USD
2006 Share of Total Textile Production Exported to the U.S.:
11 percent
RATNEY